
Charitable Gaming in Nebraska

2004 Annual Report January 2005



Produced by the
Charitable Gaming Division
Nebraska Department of Revenue

On behalf of the staff of the Charitable Gaming Division and Investigative Services Division, it is our pleasure to present the 2004 Annual Report. This report, which is submitted to the Governor, Legislature, Auditor of Public Accounts, and Attorney General, in accordance with Neb. Rev. Stat. § 9-1,101(1) (R.S.Supp. 2002), summarizes tax revenues received from charitable gaming activities in Nebraska, expenses incurred by the Division in its administration and enforcement activities, and other activities relating to the administration and enforcement of the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, and the Nebraska Pickle Card Lottery Act.


The Charitable Gaming Division was created in 1986. A number of the original staff of the Division are still involved and have witnessed the dramatic changes which have occurred in the charitable gaming industry over the past 18 years. As evidenced by the statistical information presented in this report, charitable gaming wagering and corresponding tax revenues have continued to decline in Nebraska. However, this phenomenon is not unique to Nebraska, as many other state regulatory jurisdictions have experienced similar reductions. The availability and attractiveness of other forms of gaming and entertainment which compete for the wagering dollar have impacted and will continue to impact charitable gaming in the future. Manufacturers are introducing new and innovative gaming technology all the time in order to attract new players. This new age technology presents an ongoing regulatory challenge to the Division in its administration and enforcement efforts.

Nonprofit organizations which historically have relied on charitable gaming revenues to subsidize their charitable activities within the community have been most affected by recent trends. Bingo and pickle cards no longer represent the largest percentage of charitable gaming wagering in Nebraska and have been supplanted by county/city lottery (keno). In 1993-94 when wagering on bingo and pickle cards was at its peak, nonprofit organizations realized approximately \$22.5 million in net profits. Today, net profits from bingo and pickle cards for nonprofit organizations are less than \$7.5 million. In contrast, county/city lottery (keno) has not been affected to the same degree as other charitable gaming activities.

You will notice the format of this year's annual report is different than past reports. Included on many of the pages is a comparison of current reporting period statistical information to the previous reporting period. We hope you find these changes beneficial and welcome any comments you may have.



Mary Jane Egg
State Tax Commissioner



James M. Haynes
Director, Charitable Gaming Division
and Investigative Services

This report is also available on the Nebraska Department of Revenue
Web site: www.revenue.state.ne.us

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